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THE AMERICAN LOCAL GOVERNMENT SPECTRUM

AND DALY CITY, CALIFORNIA,

AS SEEN BY AN OUTSIDER

by

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1967-1968

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THE CITY OF DALY CITY, CALIFORNIA

A CITY IS BORN

THE CITY OF DALY CITY, CALIFORNIA

A CITY IS BORN

PART I

The City of Daly City, California, U.S.A., is an outstanding example of the way things can and do happen in California. Atomic science has been given phenomenal impetus in this area due to the research institutes such as exist at the University of California and Stanford. This state has exploded in more senses than one. As the fastest growing state in the Union and, after New York, the most populous, the cities, old and new, are literally bursting at the seams. Today 70 per cent of Americans live in cities whilst at the turn of the twentieth century 70 per cent lived in rural areas.

Thus, cities are the places where things are happening today and the City of Daly City is a perfect example. With a common border to San Francisco, a city of sophistication, beauty, history and international recognition, any city close by "The City by the Sea" must take on ancillary role. Daly City in particular has always been regarded as an ugly sister and because of the rugged terrain and its susceptibility to fog, people chose to live elsewhere in the San Francisco Bay Area. Marin County was considered desirable being across the Golden Gate Bridge, north of the City and situated in picturesque woodlands. To the east Oakland and Berkeley progressed as did South San Francisco and other Peninsula cities further south than Daly City.

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The ugly sister was a place where some dairying and much market gardening were the primary activities; where people came for weekend picnics and excursions on the hills; where people would travel through en route to some other destination. It must be said, however, that it became a very important market garden center (referred to as truck farming here in the U.S.A.) where at one time as many as 140 railway trucks a day carried out the produce of the area. This was a far cry from the days when a peaceful Indian tribe inhabited the area (ploughing around Lake Merced farmers have uncovered old flint arrowheads indicating the presence of Indians).

The Irish were about the first of the "new settlers" to work the land after the Spaniards who controlled the land at the time California joined the Union (1850). The Spanish land grants were settled after the Mexican War. The Irish grew potatoes and ran dairies as they had done in their native country. Then came the German and Italian settlers and vegetable growing became increasingly important (artichokes, lettuce, cabbage, cauliflower and potatoes). By the First World War it was more important than dairying, riding the crest of a wave. But by the end of the "Twenties" other areas, such as the Imperial Valley, began to take prominence in vegetables and the Daly City area entered a period decline. The rough terrain would not lend itself to modernization and thus the less undulating areas went ahead.

In 1906 San Francisco experienced a great earthquake and ensuing conflagration which sowed havoc and destruction. The destitute, shattered

residents of the city fled, across the Bay to Oakland and south down the Peninsula. Some came to rest on the slopes of a dairy farm owned by one John D. Daly at Vista Grande, just south of the city limits of San Francisco. Daly indulged his generosity in these unfortunate broken people who clung to life such as it was, for at this time their homes were simply canvas.

In due course, the settlement took on a more permanent nature. The town's name was changed from Vista Grande to Daly City by popular vote. Something akin to a social group began to take shape; shops and homes began to be built, an improvement club was formed as was a volunteer fire company. Refugees continued to flow in and by 1911 the area was incorporated as the City of Daly City.

Thus, the City, from very modest beginnings became more established with the passage of time. It became the first California city to empanel an all-women jury. Color was added to the City's early days by a gambler called Marchbanks who had "cleaned up" in the Yukon. He instituted a plush casino, thereby attracting vast sums to the City, though forbidding local inhabitants to participate in the games of chance. He had a finely tuned acumen in politics, public relations and business as well as generous spirit illustrated by his assistance to those in real need. It is interesting to note that gamblers so very often have this strong humanitarian compassion. But things were to change the City.

Soon after World War II the flood gates of San Francisco crashed open and the surplus population spilled out into the modest city of Daly City.

Situated on the San Andreas Fault Line the old residents were accustomed to shock waves but this was a wave that differed both from waves on the seismograph or the waves of the Pacific that washed the City's western boundary. The new waves were development, manifesting itself in a building and population boom that residents could hardly have conceived of.

The developers moved in, a shopping center was constructed and around it homes and apartments. From 1945 to 1965 the population jumped from some 15,000 to 60,000, an increase of 300 per cent, and today it exceeds 65,000. A projected estimate of the population reckons on 85,000 by 1980. How the City has coped with the problems related to spontaneous growth shall be discussed at a later time. Daly City today with its huge shopping complex, high-rise apartments, vast tract developments of family homes, major freeways tracing across its crescent-shaped confines and so on, is a far removed cry from John Daly's golden days when cows grazed the grassy slopes and market gardeners tended to their artichokes. Such is a story of our times and the world in which we live.

The result is that Daly City has a very high population density of around 10,000 per square mile, as high as some of the great cities of the world. The reason for this is that the area is basically residential, there being little or no industry. Thus it is a human reservoir for the San Francisco labor market to where residents commute daily. This City has shown what can happen and will happen to a greater or lesser degree in a thousand or more different spots around the world as the world becomes more developed and the forces of the modern economic system reverberate with greater strength.

EVOLUTION OF SOPHISTICATED GOVERNMENT

IN THE CITIES OF THE GREAT SOCIETY: U.S.A.

EVOLUTION OF SOPHISTICATED GOVERNMENT

IN THE CITIES OF THE GREAT SOCIETY: U. S. A.

Complexity in our society is synonymous with the growth and sophistication of cities. I suppose that nowhere else in the world are cities so developed as they are in the U.S.A. which could be called the frontier of free economies. It is to this country that free societies must look to attain some idea of just where their own economies are going, and at the same time attempt to avoid some of the less desirable aspects of this economic system.

In the 18th and 19th centuries the United States had a real physical "frontier" which was a way of thinking as much as remote territory waiting for man's industry and ingenuity to develop. Similarly today there is a "frontier" in the United States just as real as the frontier of old. This is, of course, the whole economic system which is in a continual state of flux. Not even the top Government economic advisers know just where it is going and in many respects it is probing its way into the blue yonder, precisely as the rockets of the Moon Project are doing. Though not as obvious as lunar excursions the economic frontier is as spectacular in every respect. The cities hold some of the clues to the questions raised by the amoebic growth of the economy, because it is in cities that the explosion in industrial activity has transpired. It is here that we can look for the spectacular changes in the future, because this is where more than seventy per cent of this nation's people live. It is thus of great interest to look at how cities are governed and more particularly, how they evolved to their present

level of sophistication to keep pace with a general material advancement in the community.

Local government owes its origins to Western Civilization, the Greek city-state, provincial government of the mighty Roman Empire, manifesting itself in more modern times in the English feudal system and even by the "new" Americans in their New England town meetings. Public involvement in local affairs was regarded as the most satisfactory method of implementing the will of the greatest number. Protecting basic rights of man in the political milieu was studied by Plato and Aristotle and in the more modern context in our own language by the Englishman John Locke whose words, though spoken in the 17th century, still hold true. The thoughts of these men greatly influenced the form of the United States Constitution by influencing the minds of those men instrumental in its drafting, like Thomas Jefferson. This Constitution is the basic modern declaration of rights to which the free world owes so much. It serves as a model document for a statement of primary rights to which our own Constitution in Australia owes its foundation.

With the evolution of cities, which grew as society's virtually complete reliance on primary industry lessened, has come a re-shaping of their position vis a vis the state and federal governments. The city has become a full younger brother in the family of government. The trend in federation most everywhere has been for the central government to achieve a greater and greater degree of control over taxation and revenue collection generally. It finds itself with more revenue than it has immediate need for and thus makes grants and loans to state and local governments. In some instances the federal government simply collects for the others and redistributes,

being in a superior position as a tax collecting agency. Such things as highways, water pollution control, airport construction and urban renewal (levelling of an inferior housing area and constructing modern "high-rise" apartments, etc.) are typical subject matters for federal assistance.

After the Declaration of independence in 1776, state legislatures completely dominated the local government and chose state officials, including the judiciary and governor. The general reaction against an excess of power vested in an individual absolutely expressed itself at city government level also. The trend was towards the council rather than the mayor exercising most of the limited powers vested in the city by the state legislature. It was during Andrew Jackson's period of presidency that cities began to assume a more important role in the nation. He was the first president elected by a substantial proportion of the population and thus a true feeling of equality between all men permeated the community. Congressional protection for young industries with the stimulation of a second war with England injected industry and foreign trade with a large "D" representing demand. Industrial centers in the Northeast and along the whole Atlantic seaboard increased the importance of centers of population which have come to be called cities. Basic rights like voting and holding public office were written into state constitutions, and other property than real estate assumed a vastly increased acceptance.

Popular support became the cornerstone of government. This same mood of the times stipulated short terms of office for public officials to guarantee popular control of government. This was synonymous with Jacksonian thinking.

In due course the state legislatures which were hitherto largely unrestricted in their area of government began to curb wide discretions. They showed self-restraint by amending their constitutions to formally recognize this mood of conscience or growth in maturity, depending on how you would like to express it. Yet city government remained vested in the council whilst the mayoral position remained a titular office largely, and the council was primarily controlled by the state legislature.

But the close of the 19th century brought with it a fresh breeze of reform in government, starting with the introduction of the Secret Ballot. Minorities were heard; the judiciary became less political so that judges were no longer required to campaign for their posts, and local elections became less partisan. Thus the criterion for electing an individual came to be what he could do for the community. Similarly officials tended to be selected for posts on the basis of their qualifications and professional career public employees became a reality for the first time in United States history.

The Gold Rush crashed into U.S. history in 1849 having an irreversible effect on the affairs of man in this country. California became the center of the new Frontier as much because of the free-spirited adventurous spirits who came as because of the natural wealth and clement weather. It was not until 1850 that it was admitted to the Union (after two years as a territory). Nevertheless, during the 70's it led the movement to reduce state involvement in local affairs by granting municipalities a great degree of autonomy and restricting state powers in the Constitution to matters of a truly state character. Nowadays numerous functions of local, state and federal government

are so intricately woven that attempting to separate them becomes a fruitless and frustrating exercise.

Thus it can be said with justification that cities in this country have come of age. Government at each level is so inextricably woven with and dependent upon the other level that a high degree of inter-governmental co-operation is imperative to the smooth functioning of the Great Society. There is no better example of the need for cooperation than the road system in which every level of government is involved.

THE GREAT U.S.A.

WHEN A CITY BECOMES A CITY IN CALIFORNIA

THIS GREAT U.S.A.

WHEN A CITY BECOMES A CITY IN CALIFORNIA

If you are one of the majority of people who live in the modern context of a city (more than 70 per cent of the U.S. population do) have you ever wondered what features a city has, and when a city does in legal fact become a city? I suppose it is something that most of us caught up in our day-to-day activities would rarely, if ever, think about. But more is the shame, because it would appear beneficial to our community at large if its members knew how the city, which controls so much of our activities, is instituted.

If sufficient people live within a particular area (500, for example in California, which State we shall use as the standard), a petition is circulated to secure the signatures of a minimum of 25 per cent of property owners representing at least 25 per cent of the assessed value of the land area. Then permission to create a new city is sought from the local Agency Formation Commission. The County Board of Supervisors has a hearing and establishes the boundaries of the area designed to be incorporated. An election follows and if successful the board declares the area incorporated, gives it the name selected by the electorate or suggested by the proponents, and declares the recipients of the highest votes to be office bearers. A copy order filed at the office of the Secretary of State completes the chain of events.

Until 1955 cities were divided into six classes under general law but at that time the old law was abolished. The new statute provided that cities organized under the general law were to be "general law" cities. Thus there is no distinction between cities so organized nowadays. This is the most common method of government by cities in the U.S.A. The Government Code,

passed by the State Legislature, grants a wide variety of powers to general law cities to enable them to fulfill their functions.

The alternative form of government for a city is by charter which is open to any city with a population in excess of 3,500 to adopt by a majority vote at a city election. It began as a specific grant by the State Constitution, the powers of the city being specifically drawn therein. In fact it provided wider powers for these cities adopting charters than general law cities because the law relating to the latter was limited and in its infancy. In 1914 the State Constitution was amended to allow municipalities authority to institute and enforce all laws and regulations pertaining to municipal affairs subject only to the charter. Where there was no specific reference in the charter the general law applied. The city charter remains a full grant to the city from the State Constitution to carry out the provisions therein. The larger city favors the charter form of government and cities like Los Angeles and San Francisco are so governed because it allows them to adopt powers groomed specifically for their peculiar needs whatever.

Despite the fact that most cities follow the general law system the major centers of population are in cities incorporated under charter. Though charter cities have the advantage of special powers for their peculiar needs, the greatest disadvantage is that any change in the charter requires a referendum whilst the general cities simply require an ordinance by the city council.

Under the two broad headings mentioned there are four subclassifications each one a manifestation of the application of powers vested in them as cities, but each having a different emphasis. The first is the Mayor-Council form,

the second, the "Strong Mayor"-Council, the third, the Council-Manager, and the fourth, the Commission. The first and third methods are the only legal ones for general law cities in California. The Commission form has fallen into complete abeyance although it rode a wave of popularity until the end of World War I. The Council-Manager and the Mayor-Council methods have succeeded it.

The Commission method was first applied in Galveston, Texas in 1901 when the State Governor appointed a commission to run the town. This became an alternative to voting for a large council and heads of departments, and was seized upon by many cities as preferable to partisan local elections. The weaknesses of the Commission method were that, firstly, each member voted on city matters at the same time as being part of the executive (department Head) which augured for ineffectual government under normal conditions; and, secondly, elected commissioners often had no special management skills, and rendered their services on a part-time basis in all too many cases.

The mayor-council method operates in such a way that the council is the dominant force. Both the mayor and the other members of the council are the primary elected officers, their task being to decide on the city's policies governing services and facilities in the electorate. Five or more councillors are elected by the constituents for four-year terms, the mayor being elected separately or by the councillors from within their ranks, depending on the city. The mayor is not the head of the executive in this method, sometimes known as the "weak-mayor" or "strong-council" system, the council as a whole dealing with executive matters.

When the mayoral office is more than a political post but encompassing duties of head of the executive branch also, the method is referred to as the

"strong mayor" council system. The mayor is responsible for seeing to the performance of departmental programs as drafted by the council. This method is characteristic of the larger cities like Los Angeles.

The council-manager method was introduced to eliminate the obvious weaknesses of the mayor-council methods. The latter methods provided no guarantee that the mayor and council would have either the requisite administrative skill and training, or the time to fulfill their responsibilities relating to administration. Staunton, Virginia attempted to obviate the weakness by appointing a general manager to coordinate the sundry activities of the city. The idea was refined by the National Municipal League and in 1912 Sumter, North Carolina became the first city in the U.S.A. to adopt the council-manager method of local government. Now 2,000 cities in the U.S.A. and 1,700 communities in Norway, Finland, Sweden, Germany and Ireland have adopted the method. The city council retains its policy-making power enacting laws, appropriating monies and providing a general guide for the city manager. He is a professional appointed to see to the executive of the council's intentions which usually means that he has complete administrative responsibility.

In an age of specialization this method of city government has increased in popularity as the need has arisen and the advantages to be desrived therefrom have become patently obvious. In California, for example, the swing towards this method has been marked in the last 20 years so that today perhaps 80 per cent or 90 per cent of all cities in the State are so governed. I believe that such a method benefits every resident of the city because his taxes are being handled and expended by a highly trained professional with the utmost degree of efficiency. Where the mayor or council is the administrative

catalyst the function will be controlled by a person (or group of persons) who is likely to have little experience or training in administration. In the U.S.A. around 90 per cent of the city managers have college degrees, generally in the field of government administration, business administration, political science, and sometimes in engineering. The community that does not have such a method would do well to consider its introduction if an optimum coordination of its functions is to be achieved as well as a greater degree of efficiency in the utilization of its resources.

DALY CITY, CALIFORNIA:

ACTION GENERATED FROM CITY HALL

DALY CITY, CALIFORNIA: ACTION GENERATED FROM CITY HALL

The year 1955 marked a milestone in the young City of Daly City, situated in the Bay Area of San Francisco south of the great "City by the Sea," and with whom it has a common border. For years undeveloped, the area received a new lease of life in the post World War II years, and by the mid '50's was beginning to flower. Large numbers of people were moving to the area which was especially attractive because of its proximity to downtown San Francisco. Like any young city, problems of spontaneous development had to be met. This was done in Daly City first by adopting the modern form of local government, the Council-Manager method, in place of the more conventional Mayor-Council method. As if to test the effectiveness of this new method, an aggressive program of public works was planned with an eye to the future, then set in motion. We shall consider how this was financed at another time.

Under the Council-Manager method operative in Daly City, five residents are elected to the City Council by the electorate for overlapping terms of four years. The Council then proceeds to elect the Mayor from within its ranks from year to year. As we would expect, the Council in its legislative capacity, passes the ordinances and resolutions, thereby effecting its policy. Its functions are many and varied -- the more important among them being to decide how to raise funds; then having acquired them, how to disburse them. Appointment of the members of Advisory Boards and Commissions is also an important function.

The City has such elected officials as the City Clerk and the City Treasurer, both elected for four years and fulfilling their duties of office as people of a corresponding position would do in any part of the world.

The City Manager's tasks are here more of interest. Appointed by the City Council, he acts as the administrative head of the City. This entails a responsibility for the performance of programs, preparation and submission to Council of an annual budget, coordination and functioning of all departments, and purchase of supplies. He is also responsible for the enforcement of the City's laws and ordinances and must instruct department heads to implement the will of the Council. He is duty bound to recommend action that may serve the City, thus leading to its betterment. He assumes direction over the Personnel Department and has complete power over all persons employed by the City by way of appointment, dismissal, etc., except the City Clerk, City Treasurer, and City Attorney. He is able to consolidate and combine offices, positions and departments under his purview, with the Council's consent, providing it is within the law. The Personnel Department is responsible for administration of Rules and Regulations of the Classified Service, conduct of examinations and maintenance of personnel records.

The City has a Planning Commission, Personnel Board, Recreation Commission, and Board of Trustees of the Public Library. Their unpaid members advise on present and future matters relating to their specialities, thereby setting the tone of things. The City's departments are well delineated. The City Attorney acts as the legal advisor and representative where required by the Council or the departments. Preparation of resolutions, ordinances, etc., is part of his duties also. The City has a Department of Finance, a Police Department, A Fire Department, Recreation Department as well as a Library. The Police Department, highly mechanized and modernized, is naturally responsible for law enforcement within the City.

It is interesting to note that not only does the City have a law enforcement agency (which is normal in the U.S.A.) but they are found also at county, state and federal level, i.e., at every level of government. This is peculiar to the U.S.A. In Australia virtually all police are under State authority except for a few federal police. Which system is preferable raises another question.

The City has its own fire fighting force in addition to the county providing a fire service.

A very worthwhile function within the City is that one administered by the Recreation Department. It organizes, promotes and conducts a variety of recreations for people of all ages in such activities and pastimes as archery, hiking, creative dancing, lapidary, tennis, basketball and baseball. After school and in summertime the department directs joint municipal-school recreation programs on school grounds or city parks. This is a function not performed by a great number of cities throughout the world and I consider that they could learn much from a good hard look at this activity in Daly City, California.

The Public Works Department is probably the most important of all covering the functions most generally associated with city government. It is responsible for building and maintaining the city's roads which means those within the city not the responsibility of the state or county. The City receives a reimbursement of gasoline tax from the federal government on a pro rata basis the number of vehicles registered in the city being the governing criteria. If the money is used for roads not on the "select system" no credit is given for this, but the grant is not reduced. Thus,

the money must be used on the "select system," though no interest is charged if monies so granted are expended on the non-select system.

On new subdivisions roads are normally constructed by the subdivider who passes the cost on to the ultimate home purchaser.

It is responsible also for the water service, parks and city buildings, building standards, zoning, sewerage and like functions are all within the purview of the Public Works Department and this is not so different from places the world over.

Mutual aid agreements are made with surrounding authorities covering the police and fire functions. The aim is to be able to seek or give assistance to a proximous area outside the city in case of emergency or special circumstances.

Transportation of the public at a local level is sadly lacking because of the assumed pre-emptive role of the private motor car. A city subcommittee admitted the need for better bus services to fill the gap until the Bay Area Rapid Transit System (underground) is completed in 1972 when Daly City will become the southern terminus of the scheme. At the moment, rail transportation is largely inadequate. The motor car, whilst serving a worthwhile function, is far from the complete answer to the commuter problem, and most people from this essentially residential area do, in fact, commute daily.

I referred to a transportation subcommittee above which raises an interesting point. A Citizens Committee was formed recently at 55 competent citizens grouping themselves in 30 subcommittees. Over a period of two months they expended over 700 man hours considering the City's problems on a voluntary basis. They considered most every conceivable thing that

could affect the City, from ways of increasing busines (one suggestion was to institute a Chamber of Commerce Manager to be maintained on a full-time basis) to aesthetic matters like preserving open spaces, reducing billboards, house design and how the library might be improved. Such interest in local affairs can be described as no less than admirable and here again a lesson can be learned by all.

The functions of Daly City are essentially like those in any other city. The new method of City Manager operates very effectively because politics is largely removed from every day matters and a professional is permitted to "get on with the job" largely at his own discretion. The method and the personnel involved have established beyond doubt that their effectiveness is astutely handling the development projects incumbent on a youthful burgeoning city.

DALY CITY, CALIFORNIA:

A CITY HALL CREATED

DALY CITY, CALIFORNIA: A CITY HALL CREATED

In the area encompassed by the City of Daly City, California are some areas that are not incorporated though bordering on or surrounded by land incorporated under the City. Generally the reason is because people living there choose not to be incorporated. The result is rather anomalous in that you have some services provided by the County, some by the City of Daly City (at an extra charge to the residents of the unincorporated land). One such unincorporated area essentially surrounded by land incorporated within Daly City is the world-renowned Cow Palace, the scene of many a great event including the 1964 Republican Convention. The Cow Palace, founded as the site of agricultural fairs for the district, is owned by the people of California and is non-profit-making.

Despite these areas outside the City of Daly City, the 6.7 miles and more than 65,000 inhabitants within its borders (population density of almost 10,000 per square mile, making it one of the highest in the country) gives the City Hall personnel a busy time. So great was the expansion during the Fifties that it was found that the City Hall was inadequate to serve as the administrative headquarters for the enlarged volume of services provided.

Thus in 1963 plans were initiated for the construction of a new City Hall. A well-known firm of San Francisco architects were successful in their submission and construction began in September 1965, after a successful bid was made by a local construction company. Land was selected, then acquired by the City (eminent domain) and by April 1967 the creation of

a new city hall was complete. I consider the result to be extremely appealing in an age of so much humdrum functional conformity in building design. The design was not born overnight. It demanded months of research and development by the architects working in conjunction with City personnel. Trips were made to sundry spots throughout California searching for inspiration, keeping uppermost in their minds the special needs of Daly City in parking, landscaping and future growth. The final drawings provided for 60,000 square feet of floor space, and 12,000 for expansion. The design basically is composed of three square separate sections resting on a natural earth mound, so as to establish the maximum number of "first floor" entrances possible. The obvious neo-classic influence is distinguished by concrete columns and fins, glare reducing glass and pink marble spandrels, adding some color which perhaps the building does lack. The concrete columns, though a dull brownish grey color made up of slag and local colored aggregate stones, are extremely attractive and interesting on a closer inspection of their rough surface. The concrete was poured on the site and later sandblasted; and that slag, which happened to be at the surface, reduced under the pressure. The resultant surface has a pock-marked effect which lends character and variation to the overall impression.

As evening falls and the lights in the building become apparent, the oriental flavor which I feel the building has, becomes obvious. Especially at this time the building looks splendid in all its shining glory. Inside you find a central reception area which serves as the focal point for people to pass before going to the particular section desired. The steps leading up to the building and the central public

mall flooring are all of marble. The staircase to the third floor leading from the center of the mall is also of this material. Tastefully selected indoor plants adorn a well-tended garden in the mall. Looking upward from the mall you see a plexiglass dome which admits light and ventilation besides lending an aesthetic grace to the unit.

As interesting as the structure itself is the unique way it was financed. The overall cost was to be in excess of three million dollars and the question of how to raise the money became critical. Bonds could have been issued but this was disapproved because a vote of the electorate was necessary for such issue and there was not strong support for bonds at this time. An alternative of borrowing from the State Employees Retirement Board was dismissed basically because of the high interest rate they intended. Yet another alternative which we could call the "non-profit corporation" scheme was considered to have the most to recommend it.

The scheme was initiated by the formation of a non-profit corporation composed of five selected prominent citizens. Before the scheme was adopted other cities which had tried this method of financing were studied. In 1964 the General Non-profit Corporation Law of California was enacted, which was the enabling act for the scheme. Hitherto, the method of finance decided upon by the City was unknown. The City was to purchase the land to be used for the building site. It was to lease the land to the Corporation for 20 years. The City was to contract for the construction which contract would be assigned to the Corporation. The Corporation was to lease the building to the City for use from year to year for 20 years,

at the end of which time the land and improvements thereon were to vest in the City in fee simple, thus giving the City complete ownership. The money was raised by the Corporation issuing bonds to three large financial institutions, one of which was to act as trustee for the Corporation, so as to facilitate the money transactions. The book income "earned" by the Corporation was to be non-taxable in its hands, as were the interest payments to the financial institutions to be in the same category. The average interest rate was to be 3.66 per cent, which was considered low and advantageous to Daly City. Bonds were to fall due at varying times between the issue and 20 years hence. The trustee was to make the necessary payments including those due to the building.

Thus, a means was achieved by which the City would avoid a long term debt at attractive low interest rates. Technically the City has an option to renew the lease annually though this option to renew the lease runs for only 20 years. Then the scheme is designed to terminate as all the bonds will be fully matured and paid, at which time all the title to the land and building will vest in the City. It has a legitimate right to walk out of the building at the end of a year, when the current lease terminates. This is done for legal reasons and such action is unthinkable because of practical considerations. Payments thus could be made by the City from current sales tax revenue rather than adopting the politically distasteful procedure of increasing property taxes.

Thus, it can be said that council-manager method of municipal government has injected a professional approach to a traditional organization and the productive results are everywhere apparent to the untold advantage of the citizens of the City. The new City Hall is symbolic of this modern approach in every respect.; from the imaginative design stamping it with

a character that will project it far into the future, to the financial scheme utilized to facilitate its construction. Competent, trained management has here meant the difference between being a step behind the times to being abreast of every new development. Effervescent hope and confidence in the future is the mood that erupts throughout the organization.

DALY CITY, CALIFORNIA

FINANCING AN AMERICAN CITY

DALY CITY, CALIFORNIA
FINANCING AN AMERICAN CITY

We hear much of the growth of our economies and especially the burgeoning development of cities the world over as nations move towards a greater degree of sophistication in industry. It would be logical to ask ourselves how a city achieves economic viability, i.e. how it pays first for its day to day operations and, secondly, its development works.

Let us take the typical example of a city which has had a spectacular growth especially in the last 15 years and looks ahead to continued growth; Daly City, California. Total revenue for the year 1966/67 amounted to $5,236,650. For a city with a population of 65,000 this amounts to $8,056 per head which is considerable. Costs are correspondingly high especially as the permanent staff has increased from 30 in 1939 to 268 in 1967. The City receives its wealth and revenue from tax sources such as property, sales, water, gasoline and sundry matters, especially the issuing of license and permits. The most important source is the tax on property which amounted to 28 per cent of revenue for the year in question. The property tax is levied annually by the County assessor on 25 per cent of the market value of the land and improvements thereon. In the relevant year the rate was $10.21 per $100 of assessed value which amounts to a 2.5 per cent tax on the overall value. Thus, if a house was valued around $23,000 which is about average in Daly City, the tax would be $575. The tax is collected by the County but returned to the City.

Another important source of revenue is sales tax which, unlike many other countries, including Australia (it levies sales tax on selected items only and not at all on necessities of life such as food, clothing) is levied

on every sale. The State levies and collects the tax on a uniform statewide basis then reimburses the City, not on a population basis but a sales basis (in Australia the Federal Government, not the City receives the tax). The criteria for reimbursement has been the subject of much political debate. This is because some areas with large sales offices for a large nationwide organization, for example, would tend to receive a reimbursement out of proportion to the number of residents, whilst a heavily industrialized area would tend to receive less. In the relevant year sales tax amounted to 14 per cent of total revenue.

More important than sales tax in the year under consideration were water rates which accounted for 19 per cent. If a normal home is connected to the main, $2.50 a month is paid in addition to 25 cents per 100 cubic feet used in excess of 1,000 cubic feet per month. Thus, included in the charge are a capital component and a usage component which is a typical method the world over. Water schemes involve large capital expenditure which has been financed in part by developers in the process of subdividing land, and also by bond issues.

The gasoline tax amounted to 8 per cent of the City's revenue in the relevant year. This tax is levied by the State and Federal Governments at the point of sale of gasoline to the motorist, then returned to the City (in part) for construction of roads included in the 'select system'. The bases of reimbursement are several and include population as well as street mileage, but this area of the law is rather complex.

Licenses and permits accounted for approximately two per cent. Building permits, etc., must be acquired. Whilst the State receives the registration

fee for motor vehicles, the City receives an "in lieu"tax based on the value of the car. Fines and alcoholic beverage taxes, in addition to business licenses are examples of the many and sundry sources of revenue for the City. Anyone carrying on business in the City (with few exceptions, e.g. banks) must have a license, the fee depending on the nature of the business. For example, a shoe shiner would pay an annual fee of $6 whilst an accountant would pay $18.

In the U.S.A. people are taxed on income first at the federal level, second at the state level and third possibly at the city level. Daly City does not tax income preferring to derive the greatest share of its income from sales tax. A survey by the Municipal Finance Officers Association found that only five cities with a population of 500,000 or more do not impose either municipal sales tax or income tax. Some, like Houston, Boston, New York and Washington, D.C. levy both taxes.

Thus even for a city with 65,000 people annual revenue alone works out to be big business. It is one of the few cities of its size to be virtually debt free (uses a pay-as-you-go approach) which I consider speaks volumes for the management. A case in point is the City's responsibility of garbage collection. Instead of having a high overhead of staff and equipment to fulfill their duties in this sphere, a contract for garbage collection is made with a local company which receives a fee set by the City from each tenant. The fees are collected by the City and paid to the company less ten cents per bill handling charge. The fee set by the City gives the company a reasonable profit, the profitability depending on the efficiency of the company. The City reasons that it is best to leave such a task to private

industry if it does the task as well or better; because it means less involvement by the City with an appurtenant advantage to the community. The neighboring city of San Francisco on the other hand provides its own garbage collection service.

DALY CITY, CALIFORNIA:

ORGANIZATION OF EDUCATION IN A TYPICAL U.S. CITY

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In the wealthiest country on earth tremendous emphasis has been placed on the development of the greatest resource in the world: man's mind. Thus, throughout the United States you have educational establishments to serve the nation. There has been an "education boom" in this country so that would-be university students have been competing with all they have to enter the best institutions. This is symptomatic of the affluent society. Let us take a glimpse at how education operates at the most basic level in a typical area, viz. Daly City, California.

Within the states of the United States you have a division of areas into counties within which you have cities. Further, in either the city or county (or both) you have school districts whose areas are strictly delineated. These school districts are either for elementary schools or alternatively, high schools (junior or senior). The State of California is encouraging elementary and high school districts to unite to facilitate administration and so on. In Daly City (a city covering an area of 6.7 miles with a 65,000 population) there are three elementary, one high school and one unified school district.

A uniform rate is levied on all in the school districts by the County (in this case the County of San Mateo) which also collects the revenue. The County then proceeds to redistribute 100 per cent of the money collected to the various school districts. The State Government subscribes an important proportion of the money required for new construction and maintenance of existing facilities. There is some assistance also granted by the federal government but there remains a strong reservation concerning a too

great reliance on federal funds. The distrust stems from history, how education was organized at a very local level and the desire of the people to keep it that way, thereby retaining a stronger voice in the affairs of their children's education.

Each school district has a board of trustees which is the central legislative and administrative body. Its members are voluntary, usually well qualified and public-spirited individuals. The Board delegates some of its powers to superintendents of schools who are hired professionals. The State sets about 75 per cent of the curriculum whilst 25 per cent remains optional, thus maintaining a relatively high degree of uniformity in standards and subject matter whilst permitting at the same time a certain discretion for local circumstances in a State which is noted for its educational opportunities.

There are private elementary and high schools also which receive a certain measure of financial assistance. There are three such schools in the City, which are all Catholic elementary schools (1500 students). There are 9,900 students attending 21 of the 26 public elementary schools in the city. At present there are 2 high schools as well.

Universities are not so organized, but instead are administered by a board of governors (regents). These institutions rely for their funds on a variety of sources. The State Government maintains some universities which are free generally to residents of the State. Federal assistance by way of grants is especially significant and becoming increasingly so. There are, in addition, private universities throughout the U.S.A. which are eligible to receive grants. Apart from these sources of revenue the

other chief ones are fees paid by students and private donations. Many universities have full time organizers whose all-important task is to raise funds. There are no universities within Daly City as yet but there are many in the San Francisco Bay Area including the world-renowned University of California (Berkeley and San Francisco campuses) that residents can choose to attend.

The system that you have in the U.S.A. of local organization of schools differs from some other countries and is similar to others. In England, for example, education is organized and maintained on a county basis (though a central ministry governs the overall situation) whilst in Australia the organization is on a statewide basis. In the latter case funds for education come from general state revenues (with some federal assistance) and no special levy is made as we have the situation in the U.S.A.

In its way the City contributes in a special way to the furtherance of children's education in the area. Tours of City Hall by organized groups of school children are encouraged. In addition, a scheme whereby selected high school students are "appointed" to the various senior posts operates with success. The students observe the duties and their performance by the officials with whom they participate for a week. A report of these activities is made by the appointed student to the class when he or sher returns to classes. The City's management places a high value on public relations and this is merely an example of the whole attitude which augurs well for the future.

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